

**LEGISLATIVE SERVICES AGENCY**  
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**FISCAL IMPACT STATEMENT**

**LS 6801**

**BILL NUMBER:** HB 1441

**NOTE PREPARED:** Mar 22, 2013

**BILL AMENDED:** Mar 21, 2013

**SUBJECT:** Valuable Metal and Scrap Vehicles.

**FIRST AUTHOR:** Rep. McMillin

**FIRST SPONSOR:** Sen. Kruse

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Scrap Vehicle*: This bill provides that before a person sells, gives away, or disposes of a vehicle for scrap metal the person shall give the automobile scrapyard: (1) a certificate of authority for the vehicle; or (2) a certificate of title for the vehicle.

The bill provides that a person who knowingly or intentionally purchases or accepts a vehicle with intent to scrap or dismantle the vehicle without obtaining:

1. A certificate of authority for the vehicle; or
  2. A certificate of title for the vehicle;
- commits a Class B misdemeanor.

*Valuable Metal Dealer*: The bill provides:

1. For certain conditions that must be satisfied, including documentation, before a valuable metal dealer may purchase an air conditioner evaporator coil or condenser or a catalytic converter; and
2. That a valuable metal dealer may purchase a window air conditioning unit without restriction.

The bill makes technical corrections and conforming changes.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Scrap Vehicle*: It is unknown how many vehicles might be purchased by

scrapyards without a vehicle title or certificate of authorization in violation of the requirements of this bill. The bill provides for a Class B misdemeanor.

If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. The impact is probably minor.

If the case is filed in a circuit or superior court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the automated record keeping fee (\$5), judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$2) are deposited into the state General Fund.

*Valuable Metal Dealer:* The bill provides for certain conditions that must be satisfied, including documentation, before a valuable metal dealer may purchase an air conditioner evaporator coil or condenser or a catalytic converter. The bill provides for a Class A infraction if these conditions are not met. It is unknown how many additional Class A infractions might occur. The maximum judgment for a Class A infraction is \$10,000, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

**Explanation of Local Expenditures:** *Scrap Vehicle:* A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** *Scrap Vehicle:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Persons found guilty of a felony or misdemeanor are also required to pay the document storage fee (\$2), which is deposited into the clerk record perpetuation fund, and the jury fee (\$2) and the law enforcement continuing education fee (\$4), which are both deposited in the county user fee fund.

*Valuable Metal Dealer:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

**State Agencies Affected:**

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.